

PROGRAM UPDATE

The Program has gone through many changes since its inception in 1988. The focus of the 1980s was on a town-by-town response to growth, easing of traffic congestion, preserving rural character, and land use regulation. This has evolved, both programmatically and legislatively in the 1990s to recognize key issues such as regional and state influences on growth patterns, the importance of stimulating sustainable local economies, including natural resource-based industries, and encouraging more interlocal cooperation. Nevertheless, the framework of the Planning and Land Use Regulation Act remains largely intact.

Today, the Act is administered by the State Planning Office. Six staff makes up the Community Planning & Investment Program that administers grants to municipalities to develop and implement local growth management programs. Staff provides planning technical assistance to towns and works with Maine's 11 regional councils who, with financial support from the Office, also assist communities. Finally, staff works to coordinate and foster the principles of the State's Smart Growth Initiative, develops new tools, assists towns with the designations of local growth and rural areas in their comprehensive plans, and supports state agencies with changing laws, policies, regulations, investments, and programs that subsidize sprawl.

A. Staffing Levels

Currently there are six positions in the Community Planning & Investment Program that administer grants and provide planning technical assistance to communities, administer contracts and provide support to the state's 11 regional councils, and coordinate SPO's smart growth initiatives.

Job Classifications

Program staff is classified as follows:

- (1) Public Service Manager
- (4) Senior Planners (3 funded by the Coastal Program)
- (1) Planner II

Funding Sources for Salaries

Three positions are funded through the General Fund dollars²⁵. The one-time smart growth money (General Fund) provided for a temporary staff person to help administer grants and contracts. That person worked with the staff for nearly two years in 2001-2002, but funds have since been exhausted.

The Maine Coastal Program, a federally funded program housed at SPO, funds the salaries of three Community Planning & Investment Program staff. To be true to our funding source, the federally funded positions provide assistance to coastal communities.

²⁵ Though this may be further reduced in FY 04-05.

Staff Workloads

Local assistance, both technical and financial, demands significant state staff time in the development and management of contracts with towns and regional councils, review of plans and growth management programs, and with specific planning guidance. A growing statewide focus on the costs of sprawl and smart growth has increased the demands that are being made on the Program. Over the past few years, SPO staff has worked extensively with other state agencies and the Legislature to identify programs, policies, and investments that subsidize sprawl; establish new systems to support growth in designated growth areas and conserve critical resources in designated rural areas; and research promising new methods to direct growth to desired locations throughout the State.

Our focus on smart growth and on state investment policy has consumed resources, redirecting some away from traditional tasks such as reviewing municipal plans and preparing new technical assistance materials. In a few cases, delayed comprehensive plan reviews have provoked legitimate customer service complaints. Work load was particularly burdensome when the Program faced a 20% reduction in staff for nearly a year (due to one staff person's extended family medical leave and an unfilled vacancy of six months, when replacement was delayed because of the hiring freeze). Though responsibilities were shifted temporarily to other reviewers, a few plans did fall through the cracks. Now that the Program is fully staffed once again, administrative procedures have been revamped and the Program has redoubled its efforts to complete reviews in a timely fashion.

Even without the unavoidable vacancies, the success of the State's Smart Growth Initiative, has made it increasingly difficult to meet the growing expectations of the various partners (local, regional, state, private, and nonprofit), particularly in the research and development of new tools and in providing technical assistance to all the communities that are interested in managing their growth and development. Recognizing the significance of this shortfall, SPO is working to identify new approaches to deliver services, make strategic adjustments in focus where appropriate, striving to moderate expectations of its partners, and find ways to leverage additional resources to maintain and improve the effectiveness of the Program.

Staff Recruitment and Retention

Program staff is extremely committed to their work and are highly motivated. Yet, as workloads increase and resources decrease, Program staff leaves. Between 1997-2001, the Program's turnover rate was 67%. In addition, the workforce is aging and more employees are eligible for retirement. At the same time, salaries for state government planners have not kept pace with the rest of the nation, or even with the municipal planning sector -- particularly for planners with five or more years of experience. SPO struggles to recruit and retain staff and delays in recruitment have added to the workload of the remaining staff. SPO has developed a workforce plan that identifies strategies to improve the quality of candidates and to facilitate the recruitment process, but it will be 6-12 months before these strategies are put into place.

B. Grants and Funding

Over the last four years the Office has offered eight types of grants to municipalities; some geared toward developing and implementing comprehensive plans and some that support smart growth initiatives, including some pilot grant programs (see APPENDIX G for a description of grants awarded over the evaluation period and APPENDIX H for a description of the projects funded with Smart Growth Challenge Grants).

Types of Community Planning & Investment Grants

- Comprehensive Planning Grants to develop comprehensive plans that are consistent with the Act.
- Implementation Grants to develop zoning or other regulatory tools that implement strategies in an adopted comprehensive plan found to be consistent with the Act.

Types of Smart Growth Grants

- Comprehensive Plan Update Grants to revise and update previously developed comprehensive plans to bring them up to date to reflect demographic and economic changes and to integrate smart growth principles to more effectively guide growth.
- Smart Growth Challenge Grants to support innovative projects that respect smart growth principles and can serve as models for other communities.
- Great American Neighborhood Partnership Grants to support joint efforts between a town and developer to explore the feasibility of developing Great American Neighborhoods.
- Smart Growth Technical Assistance Grants to prepare technical assistance materials to help address sprawl and engender smart growth.

Pilot Grants

- Rural Investment Grants to support local and regional efforts to strengthen natural resource-based industries.

Brownfields

- Federally-funded Brownfield Assessment Grants to support redevelopment of abandoned or contaminated commercial and industrial sites.

Distribution of Grant Funds, 1999-2002

Since 1999, SPO has awarded \$1.75 million in planning grant funds to over 120 municipalities and regions. Because of a one-time appropriation for Smart Growth, the Office was able to dedicate additional resources for grants over the past few years. Of the total dollars awarded, 63% was for local comprehensive planning and the rest was for smart growth-related and other types of grants.

Grant Type	Number of towns/regions receiving grants²⁶ 1999-2002	GF Dollars²⁷ awarded for grants 1999-2002	FF Dollars awarded for grants 1999-2002	Total
Comprehensive Planning Grants	43	\$602,077		\$602,077
Implementation Grants	25	\$228,447		\$228,447
Comprehensive Plan Update Grants	30	\$277,540		\$277,540
Smart Growth Challenge Grants	11	\$292,666	\$40,000	\$332,666
Great American Neighborhood Grants	4	\$12,000		\$12,000
Smart Growth Technical Assistance Grants	3	\$95,492		\$95,492
Rural Investment Pilot Grants	6	\$41,592	\$42,663	\$84,255
Brownfield Assessments	3		120,000	\$120,000
Total	125	\$1,549,814	\$202,663	\$1,752,477

Table 1: Distribution of Capital Planning and Investment Grants, 1999-2002, All Funding Sources

1. General Fund Grants

SPO expended the following General Fund dollars for comprehensive planning and implementation grants over the period of the evaluation.

**Community Planning & Investment Program Grant Budget
General Fund Summary FY 2000-2003**

	2000	2001	2002	2003(budgeted)²⁸
Comprehensive Planning Grants	\$143,801	\$160,320	\$118,863	\$131,580
Implementation Grants	\$ 82,347	\$146,100	\$ 0	\$ 0
Comprehensive Plan Update Grants	\$ 0	\$ 0	\$ 0	\$100,000
TOTAL	\$226,148	\$306,420	\$118,863	\$231,580

Table 2: General Fund Summary of Community Planning & Investment Grant Program Budget

²⁶ Some grants were awarded to a regional entity or to support a multi-municipal project. In these awards, the grant is only counted as one town.

²⁷ Includes \$899,967 in funds from the one-time \$1.7 million Smart Growth Initiative.

²⁸ The allocation of funds between the grant lines may change, depending on the number of proposals received and their “readiness” for funding.

In FY03, due to revenue shortfalls, SPO was asked to curtail funding in all areas. As a result, \$75,000 was cut from the grant program. Given the approximate size of individual grants that would have been awarded, the curtailed funds would have supported 3-7 additional municipalities with community planning.

2. Smart Growth Initiative

In 2000, the Legislature made a one-time appropriation of \$1.7 million in General Funds to support the State's Smart Growth Initiative. Funding supported financial and technical assistance to municipalities and regional councils and pilot programs for downtowns and alternative growth management initiatives. Unfortunately approximately \$117,000 of this one-time appropriation was reclaimed to help address the state revenue shortfall.

SPO used the fund to support a variety of local and regional grants, including:

- Comprehensive Planning Grants
- Comprehensive Plan Update Grants
- Smart Growth Challenge Grants
- Smart Growth Technical Assistance Grants
- Downtown Revitalization Grants (through the Maine Downtown Center)
- regional initiatives

Funds were also used to:

- prepare technical assistance materials such as model ordinances and the Smart Growth ToolBox (a collection of documents and audiovisual materials that is housed at SPO and each of the 11 regional councils and is available for loan to the general public);
- develop strategies to guide state smart growth initiatives like farmland preservation, the Maine Geo-Library, and a model building code to encourage rehabilitation of downtown structures; and
- support development and operation of the Maine Downtown Center.
- provide training such as the Maine Smart Growth Institute and workshops on Great American Neighborhoods and their relationship to schools.

Funds were also directed to the State's 11 regional councils to provide additional support to communities in the development and adoption of emboldened comprehensive plans.

The Smart Growth Initiative also included implementing legislative changes to the Act; working with the Legislature, other state agencies, municipalities, regional councils, other regional entities, and various private and nonprofit constituents to explore smart growth policies and issues (described in other parts of this evaluation), the costs of which were absorbed by SPO.

Overall, funds were expended as follows:

Smart Growth Initiative Expenditure Categories	Expended
Project Position ²⁹	\$108,408
Municipal Grants	\$899,967
Regional Grants and Contracts	\$361,398
Technical Assistance Products and Initiatives	\$212,563
Budget Curtailment	\$117,664
Total	\$1,700,000

Table 3: Breakdown of Smart Growth Initiative Funding

3. Future Funding Needs

There is more demand for grants than the Program can provide. At current funding levels, all towns will not be offered both their planning and implementation grants until 2036. To fund every community would take approximately \$5 million.

Future Potential Local Financial Assistance Need (In Dollars)

Type of Community	Planning Grants	# of Towns³⁰	Implementation Grants	# of Towns	Total Funds Needed
Service Centers	\$69,210	3	\$372,581	30	\$441,791
Other Urban Places	\$22,894	1	\$108,169	9	\$131,063
Fast Growing Towns	\$681,773	41	\$1,115,625	132	\$1,797,398
Slow Growing Towns	\$1,174,240	64	\$1,434,375	109	\$2,608,615
Total Projected Need	\$1,948,117	109	\$3,030,750	280	\$4,978,867

Table 4: Funding Projections to Provide all Municipalities with planning and implementation grants

4. Regional Councils

The Office contracts with Maine's 11 regional councils to deliver land use technical assistance to municipal officials. These agencies help municipalities coordinate their role in regional growth patterns; prepare competitive grant applications for comprehensive planning, implementation, and pilot grants; and provide front-line resources to address basic planning needs.

Since the establishment of the regional council network in the 1970s, state support of the councils has been maintained in only a marginal manner. The State Planning Office and departments of Economic & Community Development and Transportation all provide annual funding for local outreach and technical assistance which, pieced together, is a small but important component of the regional councils' budgets. Flat funding, lessened in value by

²⁹ This was a 2-year temporary position within the Program to help administer grants.

³⁰ Since 1994, the Program has not offered the approximately 38 unorganized townships and plantations financial assistance.

inflation and a large number of state-required tasks, makes the councils' efforts less effective than they might otherwise be.

While three legislative task forces charged with examining the State's growth management efforts recognized the need to bolster the regional council network, no additional funds have been made available other than a portion of the one-time \$1.7 million Smart Growth allocation in FY01. Frequently, their funding is the first to be cut. For example, the regional councils are envisioned to perform a critical role in the development of Maine's new Geo-Library. However, when funds were insufficient, council funding was eliminated.

More detail on annual funding follows:

- Land Use Planning: The State Planning Office supports all 11 regional councils with an annual sum of \$194,000 in state funds, supplemented with \$131,000 in federal coastal funds, to deliver a part-time program of land use technical assistance and regional planning. The funding allows for approximately one-third of a planner's time on average per region. This is down from funding one full-time position when the Program started.
- Transportation: The Department of Transportation provides 9 of the 11 regional councils with funding to support the Regional Transportation Advisory Committees, spending about \$245,000 per year. This is insufficient to do the work that needs to be done.
- Community Development: The Department of Economic & Community Development provides 10 of the 11 regional councils with technical assistance grants to assist municipalities with applying for Community Development Block Grants.
- Consolidated Contract: The Office and the Department of Transportation coordinate their joint contract with the councils annually to maximize opportunity for shared funding of regional planning and technical assistance.
- Training: The Office paid for the regional council technical assistance coordinators to attend the two-week Smart Growth Institute in 2001. This effort was made possible by the one-time legislative appropriation for the Smart Growth Initiative, supplemented by some General and coastal funds. The Office continues to invest in the creation of manuals and publications to facilitate the councils' abilities to provide cost-effective, quality technical assistance to towns.

Lack of involvement of regional organizations in planning for protection of habitat and other resources and in the creation, expansion, and maintenance of infrastructure has severely limited the Program's effectiveness in planning for growth and protection of resources that cross municipal boundaries and in encouraging and supporting the development and use of multi-municipal and regional facilities and services. In addition, funding cutbacks have severely restricted the regional councils' abilities to provide continuing education about land use issues, which is necessary to implement the goals of the Act.

C. Consistency

In accordance with state statute (Title 30-A MRSA §4347-A), the Office reviews comprehensive plans and growth management programs for consistency with the goals and guidelines of the Act. Municipalities voluntarily submit their comprehensive plans and growth management programs to the Office for review. As the lead agency, the Office coordinates its findings with the input of nine other state agencies. Each agency, including the Office, reviews the comprehensive plan or growth management program for consistency with appropriate state and federal rules and regulations, as well as agency policies and programs. (The Office relies on two administrative rules: 1) Chapter 202 - Comprehensive Plan Review Criteria Rule and 2) Chapter 205 - Procedural Rule for Submittal and Review of Municipal Growth Management Programs for a Certificate of Consistency.) Municipalities are provided with detailed explanations for any portion of their plan or program that is found to be “inconsistent” with the Act. Many agencies provide additional suggestions for towns interested in strengthening their plans or programs.

From 1999-2002, SPO reviewed 72 local planning documents as follows:

	Number of Documents Reviewed	Documents Found to be Consistent	
		<i>Number</i>	<i>Percentage</i>
Comprehensive Plans	54	34	63%
Zoning Ordinances	18	13	73%

Table 5: Local Planning Documents Reviewed by SPO, 1999-2002

Nine departments and agencies participate in reviewing comprehensive plans submitted to the Office, including the departments of Agriculture Food and Rural Resources, Conservation (Maine Forest Service, Natural Areas Program, Maine Geological Survey, and Parks and Recreation divisions), Environmental Protection (Lakes and Shoreland Zoning divisions), Human Services (Drinking Water Program), Inland Fisheries & Wildlife, Marine Resources, and Transportation. The Maine Historic Preservation Commission and Maine State Housing Authority also review plans.

In 2001, the Office began to conduct start-up presentations with all grantees. The presentations allowed SPO to describe the State’s expectations, clarify issues, and provide the Office with an opportunity to connect the appropriate state agency with the local planning committee to facilitate the planning process. While resources are limited, most agencies have been very cooperative in working with the Office to improve service delivery to local planning committees.

Through the Maine Office of Geographic Information Systems and other agencies, the State can now provide digital data to municipalities and regions to support local comprehensive planning. Beginning in October 2002, municipalities are provided a compact disc containing a composite of state agency data. The agencies continue to work together to make this product as useful as possible, including making it web accessible. Improving the data accessibility and delivering technical assistance material to local planning committees are high priorities for 2003.

1. Consistency Status of Local Plans and Ordinances

The following table shows the consistency status of all Maine communities with regard to their comprehensive plans and zoning ordinances.

	Number Found Consistent	Number Found Inconsistent	Number Adopted
Comprehensive Plans	219	81	202
Zoning Ordinances ³¹	36	30	n/a

Table 6: Status of Municipalities' Comprehensive Plans and Zoning Ordinances

2. Certified Growth Management Programs

Towns with an adopted consistent comprehensive plan, a set of land use ordinances that are consistent with the Plan and with state law, and a 10-year capital improvement program can request certification. The Office reviews the town's program to determine whether it is consistent with the procedures, goals, and guidelines established in the law. Towns with Certified Local Growth Management Programs are rewarded for their effort with preferences for state grants and funding.

Currently, five Aroostook County towns have Certified Growth Management Programs. At least another 25 communities are eligible for certification, but have not applied to be certified.

The Office believes that more communities will seek certification as more state programs provide recognition and incentives. The Office continues to work with state agencies to create additional incentives and preferences in their programs for communities with Certified Growth Management Programs. Recent funding of the Municipal Investment Trust Fund should help provide a significant incentive since communities with Certified Growth Management Programs are eligible to receive grants from the Trust Fund, while other communities are eligible for loans only. Greater capitalization of this fund will increase the opportunity to offer grants and provide an incentive to have a certified program.

Under the terms of the Act, certification is good for ten years. However, it is unclear whether communities with certified programs have been using the annual Capital Improvement Plans submitted as part of their certification application. Without attention to this part of their program the effectiveness of their programs is doubtful. The Program is likely to review and propose revisions to the Act and its regulations to address this issue in upcoming years.

³¹ There is no reporting requirement for adoption; SPO gathers this data as it can. At this time the number of adopted zoning ordinances is not available.

D. Smart Growth: The Competitive Advantage

In 1999, Governor King formed a sub-cabinet working group to consider how state government could support smart growth. The goals of the effort were to assure a strong rate of return on public investment, to renew its commitment to environmental stewardship, and to step up efforts to build and strengthen communities.³²

The working group, which included Commissioners and designees from 11 agencies, created a 3-year action plan, *Smart Growth: The Competitive Advantage*, which identified changes to operations, policies, laws, regulations, and investment decisions which unintentionally promote sprawl (see APPENDIX I for a copy of *The Competitive Advantage* action plan and APPENDIX J for an update on implementation of the plan).

That strategy became the basis for SPO's 5-point approach to managing the Smart Growth Initiative:

1. Get the State's house in order by reforming state policies, programs, and investments that encourage development sprawl;
2. Aid rural areas by bolstering the health and well-being of Maine's traditional natural resource-based industries;
3. Strengthen service center communities;
4. Provide relief to suburbanizing communities; and
5. Support the development of traditional, compact, Great American Neighborhoods.

The sub-cabinet also charged the Land and Water Resources Council with maintaining a biennial report card on progress toward this initiative. The Land and Water Resources Council created the Smart Growth Coordinating Committee, a standing committee, which SPO staffs, to coordinate these efforts.

What follows is a summary of only some of the efforts undertaken by the Legislature, SPO, its partner agencies, and communities all across Maine to implement the Smart Growth Initiative (For more details, see the GOALS ASSESSMENT section of this report).

1. Getting the State's House in Order

Preferences for Service Centers and Growth Areas

The Act was amended in 2001 to direct state agencies to establish preferences³³ in grant and

³² Goals of *Smart Growth: The Competitive Advantage*, recommendations of Governor Angus King's Cabinet Committee on Smart Growth.

³³ In cases where state agencies believe that growth-related capital investments should be made outside of a designated growth area, the statute directs the LWRC to review and certify that there is no feasible investment or siting opportunity in one of the priority locations. SPO works closely with LWRC to provide guidance to state agencies that are affected by the legislative directive regarding growth-related capital investments.

investment programs to assist municipalities with preventing sprawl. As a result, seven state agencies have modified 20 programs to incorporate a town's comprehensive planning efforts into preferences for the award of grant and loan funds as follows:

- Department of Administrative and Financial Services: location of new state buildings
- Department of Conservation: Land and Water Conservation Fund and Urban and Community Forestry Grants
- Department of Environmental Protection: Non-point Source Pollution 319 Watershed Grant Program, "Patient" Sewer Extension Revolving Loan Fund, State Revolving Loan Fund for wastewater treatment plants and sewage improvements, Combined Sewer Overflow Fund
- Department of Economic & Community Development: Community Development Block Grants (including the Public Facilities Grants, Public Infrastructure Grants, Housing Assistance Grants, and Economic Development Programs)
- Department of Human Services: Source Water Protection Planning Grants and Revolving Loan Funds for community water systems
- State Planning Office: Community Planning grants and Land for Maine's Future funding
- Department of Transportation: Surface Water Quality Protection, Small Harbor Improvement Grants, Boat Infrastructure Grants, Scenic Byways and Transportation Enhancement Programs, Sidewalk Policy, and Dredging Prioritization Evaluation

State Office Location

Similar to school location, state office locations can be the hub around which downtowns and growth areas sprout or are sustained. For the last two years, all formal state *Requests for Proposals* for new building space have included bonus point preferences first for service center downtowns and second for growth areas. The Bureau of General Services in the state Department of Administrative and Financial Services has further modified its bid requirements to say that only a portion of total parking needs to be on-site parking (often a sticking point when locating offices in downtown areas). New state office buildings in Sanford and one that is pending in Calais will be located in downtowns, and a proposal has been awarded for a site in a designated growth area in Dover-Foxcroft.

District Court Buildings

SPO worked with the Judicial Branch, District Court Officials, and BGS to select sites for district courts in Lewiston and Sanford. The Lewiston District Court was housed in a renovated National Historic Register property in downtown Lewiston and is proving to be an anchor and impetus for renovating an entire city block. The Sanford District Court is sited on the former Nason College Campus in downtown Springvale and is the cornerstone of a redevelopment partnership between local public and private interests and the University of Maine.

Schools

For more than a century in America, the location of schools has been a powerful influence on how the rest of a community grows. Up until the 1960s schools were almost always placed within walking distance of the children they would serve. In fact, one of the unwritten rules of school-siting and neighborhood development was that a school would be at the heart of the

neighborhood, typically within $\frac{1}{4}$ to $\frac{1}{2}$ mile of the homes from which the children would come. As a different pattern of development began to take hold in the late 1960's and 1970's, a different philosophy emerged. It became acceptable, in fact routine, to place schools outside of neighborhoods where space was ample and land less expensive and easy to assemble.

One of the side effects of this change in school siting practices was that for the last 30 years school construction has contributed to Maine's sprawling pattern of development and decline of established, compact neighborhoods.³⁴ Recent literature from the health community echoes this concern, raising the specter that our pattern of school construction and its relationship to residential construction contribute to concerns about the health of our children (i.e., obesity, sedentary lifestyle, and lack of routine physical exercise).

Since 1999, the Department and Board of Education have worked to better direct funds to service centers and designated growth areas. SPO and the Department of Education have worked with every school district that received school construction funds during this period, resulting in many new schools being sited in designated growth areas (see APPENDIX K for a summary of school construction projects).

Access Management

Vehicles entering/exiting a road cause congestion, slow traffic, and generally reduce the overall capacity of a road. Unlimited access onto arterials is an invitation for development sprawl. In 2001-02, the Legislature endorsed, and the Maine Department of Transportation implemented, an access management strategy that sets differential standards for access points on rural state highways (over 45 mph posted speed) according to their mobility characteristics. SPO participates in the Department's Access Management Program Implementation Team.

The Department is also working to link future investments in sidewalks, bike trails and other transportation improvements to priorities outlined in comprehensive plans and is facilitating innovative development designs. Currently, the Department is formulating additional approaches to encourage the siting of high-volume land use activities requiring a Traffic Movement Permit in growth areas and continues to look for improvements.

2. Aiding Rural Areas by Bolstering Traditional Natural Resource-based Industries

Incentive to Keep Rural Lands Productive

Under the auspices of the Land and Water Resources Council, SPO produced the *Report on the Use of Incentives to Keep Land in Productive Farming, Fishing and Forestry Use (February 2001)*, as directed by P.L. 1999, Ch. 776. The report concluded that the best ways to keep rural lands in productive farming, fishing, and forestry use are through policies and programs that support the economic viability of these rural industries while maintaining ecological productivity. This can be done in a number of ways, including but not limited to research and development, workforce training, labor standards policies, educational programming, land use policies, land and development rights acquisition strategies, taxation policies (numerous subsets

³⁴ Over the last four years, the Board and Department of Education have worked with the Legislature and SPO to address these concerns.

of these), financing programs, marketing assistance and state purchasing policies (see APPENDIX L for a full copy of the report). Specific recommendations included:

- reimburse municipalities and stabilize terms of the current use tax programs, particularly Tree Growth;
- improve outreach to landowners regarding use of the Land for Maine's Future Program and other incentives;
- support the \$1.5 million proposed in the November 2003 bond package for a new round of funding for MDOT's Small Harbor Improvement Program grants;
- adjust the Forest Management Tax Credit;
- improve links between comprehensive planning and farming, forestry, fishing and wildlife habitat issues;
- create a Farm Link Program;
- inventory rural resources and monitor impacts of development using GIS;
- enact a wildlife habitat tax incentive;
- support a current use tax program for commercial fishing property;
- address aquaculture application review issues; and
- enact a transferable state income tax credit for conservation.

Farmland Strategic Plan

Thanks to the one-time Smart Growth funding, SPO was able to join with the Department of Agriculture to hire the American Farmland Trust to assist with developing a strategic plan for Farmland Protection. The Plan is expected to be finished in early 2003. It emphasizes effective collaboration among farmers, agency service providers, local and regional planning committees, land trusts, and government agencies to facilitate a coordinated deployment of resources toward recognized local and regional priorities. Key stakeholders include the Maine Agricultural Center and Cooperative Extension Service at the University of Maine, Maine Municipal Association, Maine Farm Bureau, Maine Farmland Trust, Maine Coast Heritage Trust, Maine Organic Farmers and Gardeners Association, Natural Resource Conservation Service/USDA, and Land for Maine's Future Program.

Farmland Protection

As Maine loses acres of farmland each year, Land for Maine's Future (LMF) funds have been targeted to protect productive farmlands. In 1999, the Legislature directed the Land for Maine's Future Program to spend up to 10% of its bond funds for farmland protection. Representatives from the Land for Maine's Future Program are stakeholders in the farmland strategic planning process (see above) and works with the Community Planning & Investment Program to identify projects in communities that have identified farmland protection as a goal in their comprehensive plans. To date, the Land for Maine's Future Program has protected 2,744 acres of farmland in Maine and seven additional projects are underway.

Sales Tax Exemption

The Legislature removed the sales tax charged on electricity purchased by farmers for development of a wholesale product. Equivalent sales tax had been exempted by the industrial sector for years. This has provided significant tax relief to farms.

Farmland Tax Program

Because of large withdrawal penalties, many landowners would not use the Farm and Open Space tax program, designed to reduce the tax burden on landowners that keep their land in farm production. The Legislature amended the Farm and Open Tax Law to reduce the penalty levied for early withdrawal to the minimum required by the Constitution.

Farmland Land Trust

Through the collaboration of many active interest groups and supported by SPO, the Department of Agriculture, and the Maine Coast Heritage Trust, the Maine Farmland Trust (a land trust specializing in farmland protection) was created in 2000. The Trust works closely with the farming community and provides technical assistance in land conservation. Part-time staff funding has been made possible through private fundraising.

Protecting Recreation Lands

Using funds from the 1999 bond, the Land for Maine's Future Program has undertaken over 70 projects designed to protect existing and to create new opportunities for public outdoor recreation. Examples include water access projects specifically designed to create hand-carried and trailer launch sites for boaters, working forest conservation easements to protect access to hunting and hiking opportunities, and carefully targeted open-space acquisitions in rapidly growing towns to protect recreational opportunities.

Small Harbor Improvement Program

The Small Harbor Improvement Program (SHIP), funded through transportation bonds and administered by the Maine Department of Transportation, is a municipal grant program that has funded a variety of public infrastructure improvement projects along the Maine coast such as piers, floats, boat ramps and shore stabilization projects. In 2002, the Department awarded grants to 21 projects (\$1.5 million) that have resulted in improved public access to coastal areas and enhanced opportunities for commercial fishing activities. SPO works with the Department to market the program and to score the competitive applications. Preferences are given to municipalities with consistent comprehensive plans and certified growth management programs.

State Comprehensive Outdoor Recreation Plan

An approved plan is required by the U.S. Department of the Interior for states to be eligible for Land and Water Conservation funds for outdoor recreation planning, acquisition and development. Five broad topics of statewide importance are the focus of Maine's new plan:

- Availability of Outdoor Recreation Opportunities;
- Community Outdoor Recreation Needs and Smart Growth;
- Recreation/Public Access in the Northern Forest;
- Trail Recreation; and
- Tourism and Public Recreation Facilities.

SPO has been working with the Bureau of Parks and Lands to incorporate Smart Growth principles into the plan. In addition, when awarding funds, the Department of Conservation allocates bonus points to projects in communities with a consistent comprehensive plan.

Working Waterfronts

Legislation passed by the 120th Legislature directed the Land and Water Resources Council to review the effectiveness of the State's approved Coastal Management Plan in meeting the public access and working waterfront policy goals established in statute. In conducting the review, the Council was directed to 1) explore state and local jurisdictions and authority, 2) consider the development of incentives for municipalities to improve coastal access, 3) consider the development of incentives for municipalities to conserve working waterfronts for water-dependent uses, and 4) discuss the development of performance indicators to allow for ongoing measurement of progress. The report, submitted to the Legislature's natural resources and marine resources committees, offers a series of recommendations for improving and expanding the Maine Coastal Program to improve coastal access to assure the viability of working waterfronts (see APPENDIX M for a full copy of the report).

3. Strengthening Service Center Communities

Municipal Revenue Sharing

Service centers are physically and financially stressed, yet as a matter of course they provide services to residents and visitors from surrounding towns such as roads, emergency, hospital, educational and cultural services. The Legislature modified the way municipal revenue sharing is distributed to shift "new" funds to municipalities based on distress (measured by the full value tax rate). Service centers are generally favored under this formula.

Consolidation of Local Services

As of the close of the evaluation period, a number of conversations around consolidation are taking place. The Maine Municipal Association includes an incentive for regionalization in its citizen-initiated tax reform proposal. Legislators have introduced bills around the issue for consideration by the 121st Legislature. Local officials in Falmouth, Cumberland, North Yarmouth, Yarmouth, and Freeport are discussing how to consolidate public services such as police, dispatch, planning, recreation, legal, and risk management services. Towns in the Penobscot Valley are researching ways to more effectively combine services. The financial and land use impacts of these efforts could be significant.

Maine Downtown Center

In 2000, SPO, the Department of Economic & Community Development, and the Maine Development Foundation worked together to create the Maine Downtown Center. Several other state agencies played, and continue to play, a role in the Center's operation including the Maine Department of Transportation, Maine Historic Preservation Commission, and Maine State Housing Authority. The Center resides at the Maine Development Foundation. Since its creation, the Center has designated five Main Street Maine communities and has distributed approximately \$200,000 to them. The Center provides downtown revitalization assistance to hundreds of other Maine communities. SPO staff provides financial and technical assistance to the Center and coordinated ongoing financial support from other agencies for its first three years of operation. While only just getting off the ground, the Maine Downtown Center projects 260

new jobs and 70 new businesses will be added to Maine's economy in 10 years from local main street programs based on what is known of similar programs in other states.³⁵

Affordable Housing

The Maine State Housing Authority's New Neighbors Program offers reduced mortgage financing for first time homebuyers in eligible communities who wish to buy a multi-unit home and live in one of the units. The Maine State Housing Authority expanded the number of participating communities by 166% in the last four years, adding Augusta, Bath, Norway, Auburn, and Westbrook to the roster that already included Portland, Lewiston, and Bangor. The Housing Authority is encouraging even more community participation in the program by offering ongoing training and technical assistance and by eliminating the cap on the number of communities that can participate.

The Maine State Housing Authority also initiated a new program in 2002 called the Affordable Housing Subdivisions Financing Program offering grants and loans to support residential subdivisions that meet its guidelines and locate in designated growth areas. This program was initiated to support state efforts to curb sprawl by offering greater opportunities to build new neighborhoods closer to town centers and services. Due to its newness, it is too early to report on program participation.

Brownfields Redevelopment

Using Environmental Protection Agency funds, SPO and the Department of Environmental Protection established the Brownfield Site Assessment Services Grant Program to encourage potential redevelopment of abandoned or unused sites that previously hosted commercial or industrial uses. Three applicants were provided funds for a total of \$120,000. Following the assessments, two sites have been cleaned up and redeveloped, with local officials considering options for remediation and redevelopment on the other site. SPO, in partnership with the Department of Environmental Protection, has applied for additional federal funds to extend the grant program and anticipates hearing about the application in October 2003.

4. Providing relief to suburbanizing communities

Impact Fees

In 2000, the Legislature clarified that school facilities are among the types of facilities for which communities may establish impact fees and that communities that are part of a single or multi-community school district may deposit the proceeds of school impact fees in a trust fund to be used to pay their proportionate share of anticipated school capital costs. SPO developed an Impact Fee Handbook for municipalities considering implementing impact fees on new development. The Handbook addresses common questions about impact fees, provides examples of impact fee ordinances in Maine communities, and provides digital templates for calculating impact fees for transportation improvements, parks and open space, and school improvements.

³⁵ Maine Downtown Center website, *Main Street Results*, Average Results of Local Main Street Programs, by Number of Years of Operation.

Municipal Investment Trust Fund

SPO worked with the Department of Economic & Community Development, Maine Municipal Association, and other concerned individuals over the course of the past decade to capitalize the Municipal Investment Trust Fund. The 120th Legislature provided the first allocation to the fund in the amount of \$400,000. The following year, the Legislature put an economic development bond referendum to the voters, which included an additional \$4 million for the Fund. The Trust Fund will provide funds to municipalities for capital investments that are needed to implement their growth strategies. SPO expects that the Department of Economic & Community Development and the Maine Bond Bank, who are managers of the Trust Fund, will continue to be close allies in this effort.

5. Supporting the Development of Traditional Compact Neighborhoods

Maine's Smart Growth Initiative encourages the creation and restoration of traditional neighborhoods, what we call the "Great American Neighborhood." Great American Neighborhoods can be found in many older Maine villages and cities. They are the compact neighborhoods with six universal features:

- they are walkable;
- they have a civic core and a mix of neighborhood uses;
- they have an interconnected street network;
- they have recognizable boundaries that separate one neighborhood from another;
- they have a human scale; and
- they provide for both chance meetings and personal privacy through their street, sidewalk, and lot design.

Pilot Projects

Over the past four years, the State Planning Office has worked on five projects, each with a community and developer interested in creating or adding to, an existing Great American Neighborhood. The projects range in size from seven new "infill" homes in Camden Village, to 64 units proposed in phase one of "Topsham Crossing" adjacent to Topsham Village, to larger proposals envisaged in Scarborough, Westbrook, and West Rockport. The Camden project construction is underway. Phase one of Topsham Crossing received local approval. All the rest are at various stages in the planning and permitting process. Several other developers and communities have contacted the Office expressing interest in pursuing opportunities to create new neighborhoods, within walking distance of stores or a school.

Hometown Maine

The State Planning Office's "Hometown Maine" initiative is designed to provide guidance to homebuilders and communities on the design and creation of walkable, mixed-use neighborhoods that are close to existing services. The initiative, designed to address market demands for this type of housing, illustrates one of the market-based approaches to address sprawl through a non-regulatory approach. SPO is developing a *Guide to Livable Design* to help developers design traditional neighborhoods and a *Smart Growth Handbook* for municipalities to assist with amending lot size and road frontage requirements in their zoning ordinances if they want to allow compact development.